



DEPARTMENT OF STATE

Washington, D.C. 20520

SECRET

July 10, 1973

MEMORANDUM FOR THE CHAIRMAN OF THE
UNDER SECRETARIES COMMITTEESubject: Panama Canal Treaty Negotiations

In compliance with your request there is attached a draft Memorandum for the President which contains certain recommendations and transmits the Inter-Agency Group's review of the status of and prospects for Panama Canal treaty negotiations as well as policy options open to the U.S. with respect to the negotiations.

Since receiving your instructions two new developments have occurred: Foreign Minister Tack's letter to the Secretary of State proposing eight principles as a basis for negotiation and the resignation of Ambassador Anderson. Although we find that the Panamanian position contained in the Foreign Minister's letter warrants probing to determine whether it offers new prospects for the negotiations, and that such action should be undertaken by Ambassador Anderson's successor, we believe nevertheless that we should adopt Option B now and implement it in consultation with Ambassador Anderson's successor. Specifically we ask that the Under Secretaries Committee approve all the unilateral Executive actions listed in the attached report, except for those actions listed in IV, C, 23, 24, and 25 pertaining to SOUTHCOM and proposed changes in administration of the Canal Zone. In addition we propose that the Committee recommend to the President that he approve the following measures requiring congressional action which we believe would not encounter serious congressional opposition: IV, B, Nos. 5, 15, 16 and 17. Finally we propose that the Committee recommend to the President that he approve the unilateral measures described in IV D for implementation when it is believed that such actions would advance the treaty negotiations and would not, after soundings, cause substantial controversy in the Congress.

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With respect to the actions listed in IV, C, 23, 24, and 25, discussion of these items revealed basic disagreement, essentially between the Departments of State and Defense, and it was decided that further study of these questions was required before recommendations could be made as to the desirability and feasibility of taking such measures. The Inter-Agency Group therefore proposes that the Committee direct that such a study be undertaken and submitted at a time to be coordinated with the Deputy Secretary of Defense.

Robert A. Hurwitch
Acting Executive Chairman,
NSC-IG/ARA

Attachment:

Memorandum for the President